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Flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development

Report of the Secretary-General

Summary

The present report responds to a request made at the twenty-eighth session of the Commission on Population and Development for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development. It also complies with General Assembly resolutions 49/128 of 19 December 1994 and 50/124 of 20 December 1995 in which the Assembly called for the preparation of periodic reports on the flows of financial resources to assist in the implementation of the Programme of Action.

The report examines levels of donor and domestic expenditures for population activities in developing countries for 2004 and provides estimates for population expenditures in 2005 and projections for 2006.

Although the international community was far from reaching the Conference financial targets for 2000, the slow but steady progress since then, thanks in large part to the increase in funding for HIV/AIDS, has ensured the attainment of the 2005 targets for both international donor assistance and domestic expenditures for population activities. Donor assistance for population, which had stood at $2.6 billion in 2000, was estimated at almost $5.3 billion in 2004, up from $4.7 billion in

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2003. Domestic expenditures, which had been estimated at almost $11 billion in 2003, are estimated to have increased to $14.5 billion in 2004. Together, donor assistance and domestic expenditures for population activities yielded a global estimate of $19.8 billion in 2004. It should be pointed out, however, that even though the targets will be met, they will not come close to addressing current needs because the targets were fixed over 10 years ago, with cost estimates and estimated needs based on experiences as of 1993.

Donor assistance is estimated to have further increased to $6.1 billion in 2005 and is projected to increase to almost $6.4 billion in 2006. A rough estimate of resources mobilized by developing countries, as a group, yielded a figure of almost $14.9 billion for 2005. This number is projected to increase to $15.9 billion in 2006.

The challenge before the international community is to continue to mobilize the required resources to implement the Conference agenda within the framework of the Millennium Development Goals. Although estimates show that the targets agreed in Cairo have been slightly surpassed, it is noted that the Cairo targets are out of date and may not be sufficient to meet evolving current needs. For example, no one had foreseen the escalation of the AIDS pandemic. In 1994, 14 million people had been said to be living with HIV/AIDS; this number increased 186 per cent to almost 40 million in 2004. The Joint United Nations Programme on HIV/AIDS (UNAIDS) estimates that global resource requirements amount to $15 billion in 2006, of which $8.4 billion is required for prevention and $3 billion for treatment and care. The financial targets of the Conference of $1.4 billion in 2005 and $1.5 billion in 2010 (for prevention activities only) are far below these estimated requirements and should be revised to more accurately address current needs and costs, including those for treatment.

Without a firm commitment to population, reproductive health and gender issues, and adequate allocation of financial resources in all areas, it is unlikely that the goals and targets of the International Conference on Population and Development and the Millennium Summit will be effectively met.

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I. Introduction

1. The present report has been prepared by the United Nations Population Fund (UNFPA) in response to a request made at the twenty-eighth session of the Commission on Population and Development[1] for an annual report on the flow of financial resources for assisting in the implementation of the Programme of Action of the International Conference on Population and Development[2] held in Cairo in 1994. The report is part of the documentation called for in the work programme of the Commission and is submitted in accordance with General Assembly resolutions 49/128 of 19 December 1994 and 50/124 of 20 December 1995, in which the Assembly called for the preparation of periodic reports on the flow of financial resources for assisting in the implementation of the Programme of Action.

2. The report examines the flow of funds from donor countries for population assistance in developing countries[3] and provides estimates of government and non-governmental expenditures for population activities in developing countries for 2004. It also includes donor and developing country estimates for 2005 and projections for 2006. Data-collection activities for both donor and domestic resource flows were undertaken by the Netherlands Interdisciplinary Demographic Institute (NIDI) under a contract with UNFPA and the Joint United Nations Programme on HIV/AIDS (UNAIDS). Evaluation and analysis of data were carried out jointly by the Institute and UNFPA.

Methodology

3. Data on donor assistance for population activities presented in this report were gathered with the use of a detailed questionnaire mailed to 76 key actors in the field of population and AIDS including the Organization for Economic Cooperation and Development (OECD) Development Assistance Committee (DAC) donor countries, major multilateral organizations and agencies, large private foundations and other non-governmental organizations that provide substantial amounts of population assistance. Data for fiscal year 2004 are based on responses received by 10 January 2006. Thus, the figures should be treated as provisional, since they are subject to change as more responses are received. Increasingly, information from donor countries is obtained from the OECD/DAC database.

4. Information on domestic resource flows is based on data from responses to questionnaires sent to a sample of 55 developing countries throughout the world, secondary sources, and estimation and projection techniques.

5. The external and domestic financial resource flows for population activities analysed in this report are part of the "costed population package" as specified in paragraph 13.14 of the Programme of Action of the International Conference on Population and Development. The package comprises family planning services; basic reproductive health services; sexually transmitted diseases (STDs)/HIV/AIDS prevention activities;[4] and basic research, data and population and development policy analysis. The Programme of Action estimated that the implementation of this population and reproductive health package in the developing countries and countries with economies in transition would cost US$ 18.5 billion[5] annually by the year 2005. Approximately two thirds of the projected costs would come from the

countries themselves and one third, or $6.1 billion, would come from the international donor community (para. 13.16).

II. Donor assistance to population activities

6. Population assistance has increased slowly, but steadily since the International Conference on Population and Development. Although assistance had peaked at $2.6 billion in 2000, the financial goal of the Conference of $5.7 billion by the year 2000 was not met; the resources mobilized were roughly 46 per cent of the target agreed upon as the international community's share in financing the Programme of Action. By 2003, donor assistance was almost $4.7 billion. The provisional 2004 figure shows an increase to almost $5.3 billion (see table 1). It is estimated that population assistance increased further to $6.1 billion in 2005. If it had, the international community would have reached the 2005 target of the Conference. However, this would still be significantly below actual needs, which have escalated far above those estimated in 1993, particularly for HIV/AIDS. If donors live up to their expected future commitments, funding is projected to increase to almost $6.4 billion in 2006 (see figure I).

Table 1
International population assistance, by major donor category, 2003-2006
(Millions of United States dollars)

Donor category	*2003*	*2004*	*Estimated 2005*	*Projected 2006*
Developed countries	3 738	4 305	5 277	5 509
United Nations system	43	60	51	54
Foundations/NGOs	380	404	451	471
Development bank grants	28	223	33	34
Subtotal	**4 189**	**4 992**	**5 812**	**6 068**
Development bank loans	501	288	288[a]	288[a]
Total	**4 689**	**5 280**	**6 100**	**6 356**

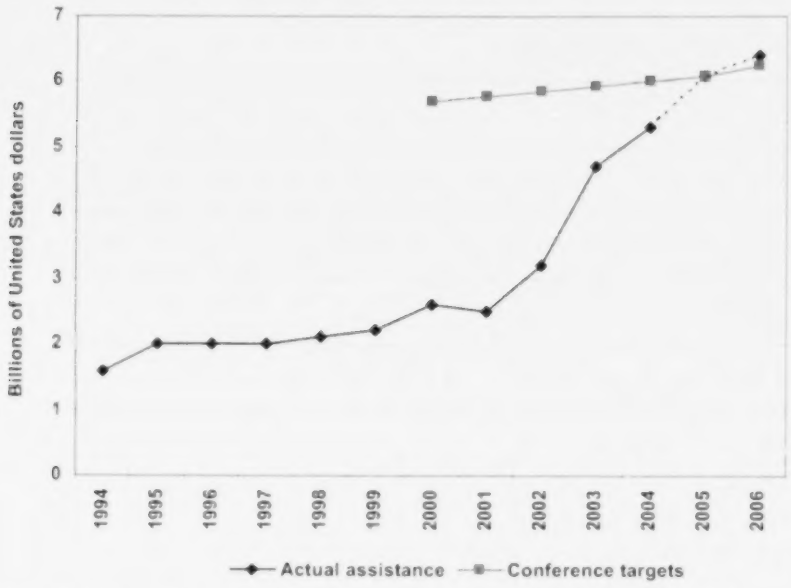
Sources: UNFPA, *Financial Resource Flows for Population Activities in 2003* (New York, 2005); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

Note: Totals may not add up due to rounding. Data for 2004 are provisional; data for 2005 are estimates; data for 2006 are projections.

[a] Estimated at the 2004 level.

Figure I

Population assistance as compared with targets of the International Conference on Population and Development, 1994-2006



Sources: UNFPA, *Financial Resource Flows for Population Activities in 2003* (New York, 2005); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

Note: Estimated 2005 and projected 2006 assistance is shown by broken line (- - -). Data on actual assistance for 2004 are provisional; data for 2005 are estimates; data for 2006 are projections.

A. Bilateral assistance to population activities

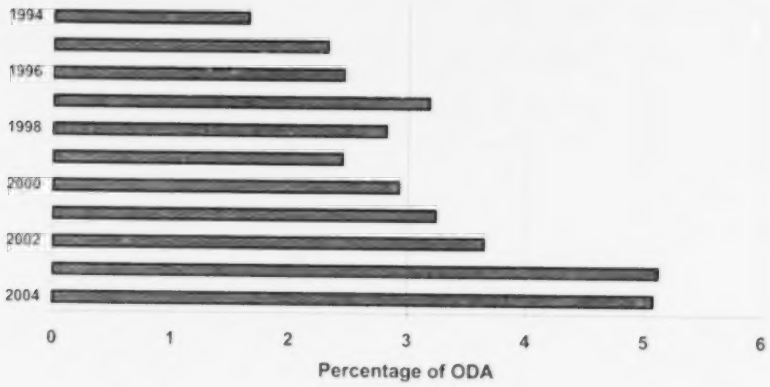
7. Donor countries provide the largest share of population assistance. Bilateral assistance had stood at $4.3 billion in 2004, up from $3.7 billion in 2003. A number of countries increased funding levels over the past year. Major donors in 2004 included the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Netherlands, Japan, the European Union (EU), Sweden and Canada. According to preliminary estimates, donor countries provided $5.3 billion for population activities in 2005. Projections for 2006 place this number at $5.5 billion.

Population assistance as a percentage of official development assistance (ODA)

8. According to the latest OECD figures, there is evidence of major scaling up of aid promised by donors at recent international meetings. Official development assistance (ODA) increased to $79.5 billion in 2004. Provisional figures show that donor countries, as a group, contributed 5.08 per cent of their total ODA to population assistance in 2004, about the same proportion as in 2003 (see figure II). Only a handful of countries contribute the suggested 4 per cent or more of their total

ODA for population assistance. Donor countries vary greatly in the proportion of ODA contributed to population assistance.

Figure II
Population assistance of donor countries as a percentage of ODA, 1994-2004



Sources: UNFPA, *Financial Resource Flows for Population Activities in 2003* (New York, 2005); and UNFPA/UNAIDS/NIDI Resource Flows Project database.
Note: Data for 2004 are provisional.

Population assistance in relation to gross national product (GNP)

9. In 2004, donor countries contributed, on average, $131 per million dollars of gross national product (GNP) for population assistance, up from $126 per million dollars in 2003. The average dollar amount conceals the large variation between countries, ranging from $12 to $682 per million dollars. The Netherlands led the donor countries, contributing $682 per million dollars of GNP for population assistance. The Netherlands, Norway, Denmark, Luxembourg, Sweden and the United Kingdom each contributed over $200 per million dollars of GNP for population assistance.

B. Multilateral assistance to population activities

Grants

10. Multilateral assistance to population activities is provided by the organizations and agencies of the United Nations system, mainly UNAIDS, the United Nations Children's Fund (UNICEF), UNFPA and the World Health Organization (WHO). Whatever the United Nations organizations receive for population assistance from OECD/DAC donor countries is considered to be bilateral assistance. Organizations' general funds not earmarked for population activities, interest earned on funds and money from income-generating activities that are spent on population activities are considered multilateral assistance for population. Funds received from developing countries that organizations spend on population activities are a small portion of an organization's regular budget and are also included as multilateral assistance.

Multilateral assistance stood at $60 million in 2004, up from $43 million in 2003. Funding levels are not expected to change significantly in 2005 and 2006.

11. UNFPA is the leading provider of United Nations assistance in the population field, having provided support to 126 developing countries in 2004. UNFPA, which relies on voluntary contributions, uses the multi-year funding framework initiative that emphasizes management for results, tying programme support to policy development and linking the International Conference on Population and Development targets and the Millennium Development Goals in the context of poverty reduction so as to stimulate resource mobilization.

12. The World Bank reported an expenditure of $223 million in 2004 as compared with $27 million in 2003 to intermediate donors for special grant programmes in the area of population in 2003.

Loans

13. Development banks, which provide loans to developing countries, are an important source of multilateral population assistance. Their contributions are treated separately from grants because their assistance is in the form of loans that must be repaid. The banks' projects reflect multi-year commitments recorded in the year in which they are approved but disbursed over several years. Most loans for population assistance come from the World Bank, which supports reproductive health and family planning service delivery, population policy development, HIV/AIDS prevention, and fertility and health survey and census work. Provisional figures place World Bank lending for population activities in 2004 at $288 million, down from $501 million in 2003. Of this amount, $75 million was for International Development Association (IDA) loans, made at highly concessional rates, and $213 million for International Bank for Reconstruction and Development loans, made at rates closer to those prevailing in the market.

C. Private assistance to population activities

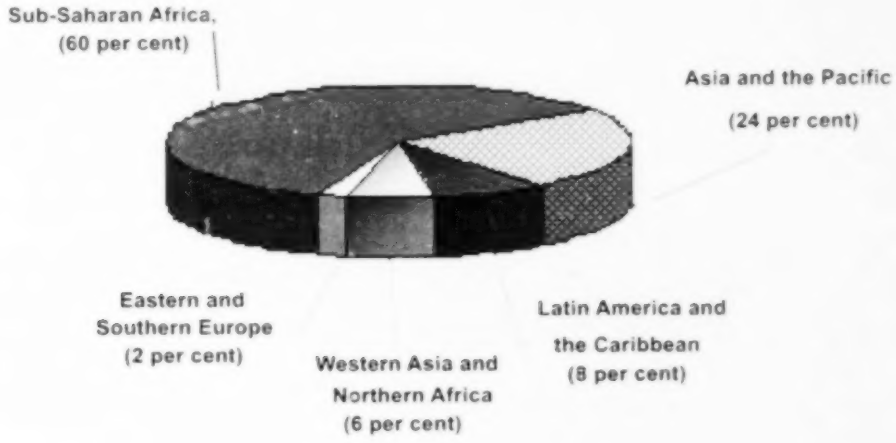
14. Foundations, non-governmental organizations and other private organizations are also important sources of population assistance. In 2004, foundations and non-governmental organizations contributed $404 million to population activities, up from $380 million in 2003. This figure is expected to increase as more foundations report their 2004 contributions. Major contributors reporting by the publication deadline included the Bill and Melinda Gates Foundation, the Packard Foundation, the Henry J. Kaiser Family Foundation, the Fund for International Development of the Organization of the Petroleum Exporting Countries (OPEC) and the Rockefeller Foundation. Major non-governmental organization contributors included Marie Stopes International, Population Services International, the International Planned Parenthood Federation and the Japanese Organisation for International Cooperation in Family Planning. The level of private assistance to population activities is not expected to change significantly in 2005 and 2006.

D. Expenditures for population activities by geographical region

15. A total of 144 countries and territories benefited from population assistance in 2004, down from 158 countries in 2003. Sub-Saharan Africa, which includes the majority of the least developed countries, continued to be the largest recipient of assistance, receiving more than half of all assistance going to the five geographical regions (see figure III). The other recipients, in descending order of the size of population assistance, were: Asia and the Pacific, Latin America and the Caribbean, Western Asia and Northern Africa, and Eastern and Southern Europe. Global and interregional population activities have been receiving an increasingly larger share of total population assistance over the years. In 2004, 43 per cent of assistance went to global and interregional activities, compared with 40 per cent in 2003. Assistance went to such activities as advocacy; research; reproductive health; support to the Global Fund to Fight AIDS, Tuberculosis and Malaria; HIV/AIDS prevention, care and support; and safe motherhood.

Figure III

Expenditures for population activities for each of the five geographical regions, 2004, as a proportion of the total for all five regions



Source: UNFPA/UNAIDS/NIDI Resource Flows Project Database.

E. Expenditures for population activities by category of activity

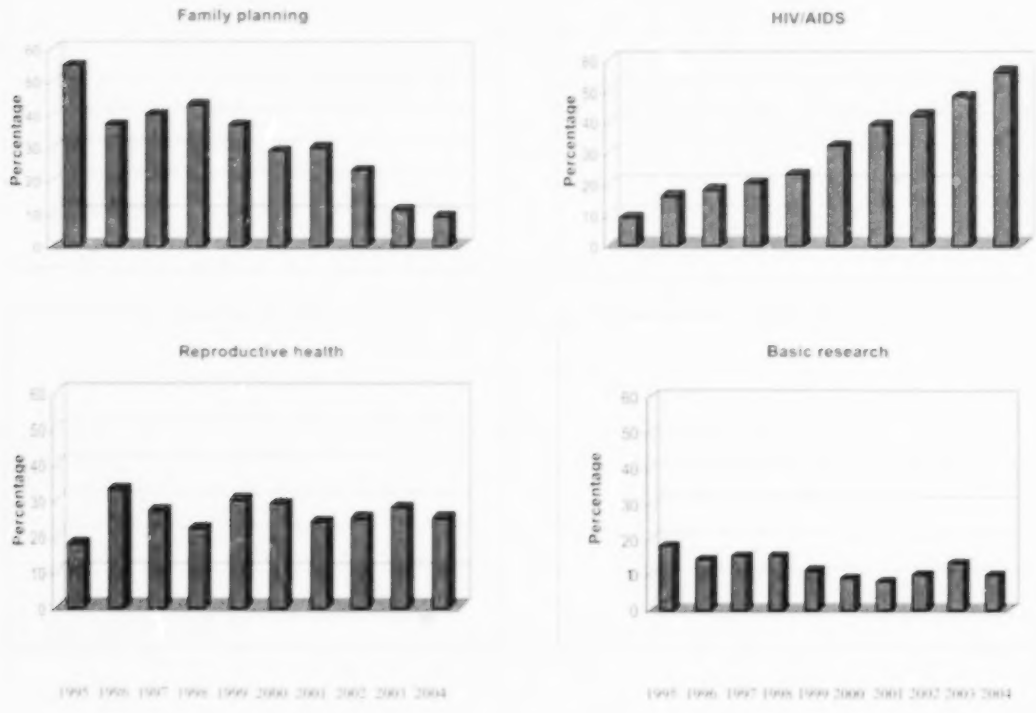
16. UNFPA monitors expenditures for population activities by the following four International Conference on Population and Development-costed population categories: (a) family planning services, (b) basic reproductive health services, (c) STDs/HIV/AIDS activities and (d) basic research, data and population and development policy analysis. The largest and increasing proportion of total population assistance is increasingly going to fund HIV/AIDS activities (see figure IV). Consistent with the call of the Conference for integration of services, funding for basic reproductive health services increased slightly, with fluctuations, from 18 per cent in 1995 to 25 per cent in 2004, down from 28 per cent in 2003, while

explicit funding for family planning services decreased significantly, with fluctuations, from 55 to 9 per cent during the same period, down from 11 per cent in 2003. Consistent with the rapid spread of the HIV/AIDS pandemic, funding for HIV/AIDS activities has increased sharply since 1995, from 9 per cent of total population assistance to 56 per cent in 2004, up from 48 per cent in 2003. Funding for basic research activities has decreased with fluctuations since 1995, from 18 to 10 per cent in 2004, down from 13 per cent in 2003. The 2004 percentages may change since a number of organizations did not report their expenditures by the publication deadline.

17. Funding for family planning services decreased considerably in absolute dollar amounts from 1995 to 2004. Although funding for reproductive health and basic research activities increased slightly during the same period, HIV/AIDS activities received the largest proportion of assistance. Given the increased emphasis on addressing the global AIDS pandemic, including the Millennium Development Goal (Goal 6) of combating HIV/AIDS, malaria and other diseases and the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria and the United States President's Emergency Plan for AIDS Relief, estimates for 2005 and projections for 2006 point to a continuation of this trend. In fact, donor countries are expected to continue to spend a large percentage of their population assistance on STDs/HIV/AIDS activities in 2005 and 2006.

Figure IV

Expenditures for population activities as a proportion of total population assistance, 1995-2004



Sources: UNFPA, *Financial Resource Flows for Population Activities in 2003* (New York, 2005); and UNFPA/UNAIDS/NIDI Resource Flows Project database.

18. The growing trend towards integration of services and the increasing use of sector-wide approaches in development assistance are making it increasingly difficult for countries to readily distinguish between expenditures for population and other health-related activities and, within population, among family planning, reproductive health and STDs/HIV/AIDS activities.

F. Expenditures for population activities by channel of distribution

19. Assistance for population activities flows through a diverse network, moving from the donor to the recipient country through one of the following channels: (a) bilateral: directly from the donor to the recipient country government; (b) multilateral: through United Nations organizations and bodies; and (c) non-governmental. In 2004, 48 per cent of all population assistance went through the non-governmental channel, while 29 per cent went to bilateral programmes and 23 per cent went through multilateral organizations. The 2004 figures are roughly at the same levels as they were in 2003 and the non-governmental organizations channel continues to predominate throughout all the world regions. Population assistance is expected to continue to be channelled in large part by non-governmental organizations in 2005 and 2006.

III. Domestic expenditures for population activities

A. Methodology

20. Domestic resources of developing countries account for the largest portion of funds required to achieve population and development objectives. The mobilization of adequate domestic financial resources is essential to facilitating full implementation of the Cairo agenda. UNFPA has been monitoring domestic expenditures for population activities since 1997 through the use of a survey questionnaire sent to UNFPA Country Offices throughout the world for further distribution to government ministries and large national non-governmental organizations. In many countries, local consultants were recruited to work with government authorities and non-governmental organizations in completing the questionnaires. UNAIDS Country Offices assisted in the selection of government departments and non-governmental organizations that provided data on HIV/AIDS expenditures. Respondents were requested to focus on the International Conference on Population and Development-costed population package and to report only domestic financial resources, not to include international donor assistance.

21. Surveys of domestic expenditures had initially been conducted on an annual basis but, since 1999, to reduce the burden on financial and human resources, countries have been surveyed on a biennial basis. Country case-studies were conducted as part of the Resource Flows Project to supplement the mail inquiry. Despite intensive follow-up, it was becoming increasingly difficult to track progress of developing countries towards achieving the Conference financial targets. Each year, fewer countries provided information on domestic expenditures for population activities. Many Governments, including several of the most populous countries, were unable to supply the requested data because of funding, staffing and time constraints. In addition, countries that did not have well-developed systems for

monitoring resource flows were unable to provide the requested information, especially when funding was pooled in integrated social and health projects and sector-wide approaches. Furthermore, countries with decentralized accounting systems could supply data only on national expenditures and were unable to provide information on expenditures for population at subnational (lower administrative) levels.

22. To address these challenges and to further reduce the burden of reporting, beginning with fiscal year 2003, the UNFPA/UNAIDS/NIDI Resource Flows Project surveys a limited number of core countries selected on the basis of population size, amount of population and AIDS expenditures, HIV/AIDS prevalence and regional representation every other year and a regionally representative rotating sample of all remaining countries in alternate, non-core years. Total global domestic expenditures for population activities are subsequently estimated and projections made using a methodology that incorporates the responses of the surveyed countries, together with prior reporting on actual and intended expenditures, and secondary sources on national spending; and in the absence of such information, estimates and projections are based on national income as measured by the level of gross domestic product (GDP), which has proved the most influential variable explaining the growth of spending by Governments.[6]

B. Estimates and projections of domestic expenditures

23. Table 2 presents estimates and projections of global domestic expenditures for population activities for 2004-2006. It shows a steady increase in domestic funding for population activities in all regions. It is estimated that developing countries spent $14.5 billion for population activities in 2004. The largest amount was mobilized in Asia ($11.4 billion), followed by Latin America and the Caribbean ($1.5 billion), sub-Saharan Africa ($823 million), Western Asia and Northern Africa ($642 million) and Eastern and Southern Europe ($211 million).

24. Domestic expenditures are estimated to have further increased to $14.9 billion in 2005 and they are projected to increase again, to $15.9 billion in 2006. Increases are expected in almost every region. Asia is expected to continue to mobilize the largest amount of financial resources in both 2005 and 2006. The pattern remains unchanged from 2004-2006: Latin America and the Caribbean is expected to mobilize the second largest amount of funds, followed by sub-Saharan Africa, Western Asia and Northern Africa, and Eastern and Southern Europe.

25. Approximately 21 per cent of all domestic expenditures for population are spent on STDs/HIV/AIDS, with Latin America and the Caribbean and sub-Saharan Africa spending about three quarters and just over two thirds of their funds, respectively, on AIDS. These figures are expected to remain virtually unchanged during 2004-2006. Figures for Asia are low because data on out-of-pocket spending are not complete.

Table 2

Projection of global domestic expenditures for population activities, 2004-2006

(Thousands of United States dollars)

	Source of funds				
Year/region	*Governments*	*NGOs*	*Consumers*[a]	*Total*	*Percentage spent on STD/HIV/AIDS*
2004					
Africa (sub-Saharan)	349 467	87 480	386 143	823 090	68
Asia and the Pacific	4 106 682	71 989	7 175 411	11 354 081	10
Latin America and the Caribbean	887 861	133 841	469 855	1 491 557	78
Western Asia and Northern Africa	377 359	32 635	231 530	641 524	13
Eastern and Southern Europe	148 831	8 575	53 902	211 308	44
Total	**5 870 199**	**334 519**	**8 316 842**	**14 521 560**	**21**
2005					
Africa (sub-Saharan)	359 831	92 393	397 745	849 970	68
Asia and the Pacific	4 182 001	75 746	7 307 012	11 564 758	11
Latin America and the Caribbean	911 067	136 228	484 002	1 531 298	77
Western Asia and Northern Africa	398 468	34 670	243 255	674 393	13
Eastern and Southern Europe	165 546	9 374	59 956	234 875	45
Total	**6 014 913**	**348 411**	**8 491 971**	**14 855 295**	**22**
2006					
Africa (sub-Saharan)	365 741	98 292	403 704	867 738	68
Asia and the Pacific	4 547 353	78 545	7 945 374	12 571 272	10
Latin America and the Caribbean	918 790	136 280	489 342	1 544 413	77
Western Asia and Northern Africa	391 059	31 733	239 937	662 729	13
Eastern and Southern Europe	173 159	9 602	62 714	245 475	45
Total	**6 396 103**	**354 453**	**9 141 071**	**15 891 626**	**21**

Sources: Hendrik P. van Dalen and Mieke Reuser, "Assessing size and structure of worldwide funds for population and AIDS activities" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2004); and Hendrik P. van Dalen and Mieke Reuser, "Projections of funds for population and AIDS activities, 2004-2006" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2005).

[a] Covering only out-of-pocket expenditures and based on the average amount per region as measured by the World Health Organization (2004) for health-care spending in general. For each region, the ratio of private out-of-pocket to per capita government expenditures was used to derive consumer expenditures in the case of population activities. Additional information based on existing studies was used to calculate projections of private AIDS expenditures for sub-Saharan Africa and Latin America and the Caribbean.

C. Components of domestic funding for population activities

26. Governments play a major role in financing population programmes. They are considered to be responsible for most domestic expenditures for population activities. However, since the level of government funding usually depends on the level of national income, Governments in least developed countries are least likely to be able to afford large outlays for population activities. Poor countries faced with many competing development priorities cannot afford to make the necessary investments in population. As a result, population issues are often excluded from social and health sector programmes because there is not enough funding to go around, or because new priorities are surfacing without safeguards in place to ensure sustainability and expansion of existing programmes. National non-governmental organizations also fund population activities, but most of them are highly dependent on international resources. Their main role lies in advocacy work and in reaching people at the grass-roots level.

27. National Governments and non-governmental organizations are not the only sources of domestic expenditures for population activities. Consumer spending as measured by out-of-pocket expenditures represents the largest part of resources spent on population activities. Private consumer expenditures account for a large percentage of total funding for health care. Although exact amounts of worldwide health-care spending for population activities are not known, it stands to reason that a significant proportion of expenditures for family planning, reproductive health and STD/HIV/AIDS services are borne by consumers. The few available sources of information on private spending reveal great variations between regions and countries and, in some cases, changes over time in the share of private spending within countries themselves. In constructing an expenditure estimate for the private sector, the UNFPA/UNAIDS/NIDI Resource Flows Project used out-of-pocket health expenditures of households from the national health account figures as collected by WHO. The out-of-pocket health expenditures were assumed to be completely in line with out-of-pocket expenditures for population goods and services.

28. Funding behaviour is often hard to predict. It should be pointed out that figures for 2005 and 2006 are dependent on whether Governments follow the expected patterns of spending, given past reported expenditures and levels of national income, and whether they indeed live up to their commitments. Unforeseen factors such as natural disasters, conflict and political unrest can have a significant impact on domestic spending for population. On the other hand, such events can also serve to increase international assistance.

29. Although the global figure for domestic resource flows is a rough estimate, it is the most plausible estimate, given the fact that data are often incomplete and not entirely comparable. The information is useful in that it provides some idea of the progress made by developing countries, as a group, in achieving the financial resource targets of the Programme of Action. While the global total shows real commitment on the part of developing countries, it conceals the great variation that exists among countries in their ability to mobilize resources for population activities. Most domestic resource flows originate in a few large countries. Many countries, especially those in sub-Saharan Africa and the least developed countries, are not able to generate sufficient resources to finance their own population programmes and rely heavily on donor assistance.

IV. Resources for other population-related activities

30. Both donor and developing countries indicate that a significant amount of resource flows go to other population-related activities that address the broader population and development objectives of the agenda of the International Conference on Population and Development, but that have not been costed and are not part of the agreed target of $18.5 billion for 2005. Among the population-related activities that countries have supported include: poverty alleviation, primary health care delivery systems, child health and survival, basic education, including girls' and women's education, empowerment of women, rural development and income-generation. Funding for such activities, since they are not part of the costed population package, is not included in the calculations of international population assistance and domestic resources for population. If the amount of the resources spent on these activities was added to expenditures for the costed population package, the overall level of support to the Programme of Action would be considerably higher.

V. Overview of issues in resource mobilization

31. The increase in resources is an encouraging sign indeed. However, there are a number of important issues to consider.

32. *The majority of resources are mobilized by a few major players.* Population assistance originates with a few major donors and the majority of domestic resources are mobilized in a few large developing countries. For example, the United States of America is projected to provide $3.1 billion or more than half of total donor contributions in 2005. Most developing countries are not in a position to generate sufficient resources to fund their population and AIDS programmes. For example, China is expected to spend $1.7 billion for family planning in 2005, accounting for one third of all domestic government spending. Most other developing countries continue to rely on donor assistance.

33. *Important role of consumer spending in domestic expenditures.* Although not easy to track, the role played by consumers in mobilizing resources is much larger than usually assumed. In many cases, these exceed government and non-governmental organizations expenditures for population. Although variations exist between regions and countries, if spending on population and AIDS activities is completely in line with spending on health in general, then it is safe to infer that consumers in developing countries assume more than half of the burden of population expenditures. Out-of-pocket spending by consumers, especially the poor, has important implications for policy initiatives aimed at reducing poverty and income inequality in the developing world.

34. *Shift towards funding for AIDS.* There has been a pronounced shift towards funding for STDs/HIV/AIDS at the expense of other population activities. When UNFPA first began to monitor expenditures by the four International Conference on Population and Development population categories in 1995, funding for STDs/HIV/AIDS had accounted for 9 per cent of total population assistance; by 2004, it accounted for 56 per cent. It is interesting to note that the adopted Conference targets in 2005 called for 8 per cent of total population assistance for STDs/HIV/AIDS prevention activities, 62 per cent for family planning services, 29

per cent for basic reproductive health services and 1 per cent for basic research, data and population and development policy analysis. Given the increased emphasis on addressing the global AIDS pandemic, including the Millennium Development Goal of combating HIV/AIDS, malaria and other diseases and the creation of the Global Fund to Fight AIDS, Tuberculosis and Malaria and the United States President's Emergency Plan for AIDS Relief, the shift towards funding for STDs/HIV/AIDS is expected to continue and to be especially prominent among donor countries. This funding is for prevention activities as well as treatment and care, including especially substantial amounts of funding for antiretroviral therapy. Since the Cairo financial targets include funding levels for prevention activities only, the achievement of the targets can be attributed in part to funding for antiretroviral therapy. The accounting systems of many organizations make it extremely difficult to report on expenditures for prevention only. There are fears that the larger share of funding that goes to AIDS activities might distract attention from the necessary funding for the other three elements of the Conference-costed population package. This is especially evident in the case of funding for family planning, where absolute dollar amounts are lower than they were in 1995. The proportion of total population assistance for family planning services declined from 55 per cent in 1995 to 9 per cent in 2004 and is not expected to change significantly in 2005 and 2006. If not reversed, the trend towards less funding for family planning will have serious implications for countries' ability to address unmet needs for such services and could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.

35. *Escalating current needs and costs as compared with original International Conference on Population and Development estimates.* The Conference financial targets were fixed over 10 years ago, with cost estimates based on experiences as of 1993. Since that time, the population and health situation in the world has changed dramatically. The HIV/AIDS crisis is far worse than anticipated; and infant, child and maternal mortality remains unacceptably high in many parts of the world. In addition, since that time, health-care costs have increased substantially. Furthermore, the value of the dollar in 2005 is far lower than it was in 1993. As a result, the Conference target of $18.5 billion in 2005 may not be sufficient to meet current developing-country needs in the area of family planning, reproductive health, STDs/HIV/AIDS and basic research, data and population and development policy analysis.

36. *Population and reproductive health are central to development and the achievement of the Millennium Development Goals.* Although not explicitly included in the Millennium Development Goals, reproductive health is an essential element in their achievement. As stated by Secretary-General Kofi Annan in his message to the ministerial segment of the Fifth Asian and Pacific Population Conference (Bangkok, 16 December 2002), "the Millennium Development Goals, particularly the eradication of extreme poverty and hunger, cannot be achieved if questions of population and reproductive health are not squarely addressed. And that means stronger efforts to promote women's rights, and greater investment in education and health, including reproductive health and family planning" (press release SG/SM/8562 of 17 December 2002). At the 2005 World Summit, world leaders committed themselves to "(a)chieving universal access to reproductive health by 2015, as set out at the International Conference on Population and Development, integrating this goal in strategies to attain the internationally agreed

development goals, including those contained in the Millennium Declaration, aimed at reducing maternal mortality, improving maternal health, reducing child mortality, promoting gender equality, combating HIV/AIDS and eradicating poverty" (General Assembly resolution 60/1, para. 57 (g)). The international community's commitment to achieving the Millennium Development Goals needs to incorporate the Conference's universal reproductive health services target so that funding for family planning and reproductive health services is secured along with increased funding for HIV/AIDS.

37. *Competing development priorities*. As mentioned above, poor countries are faced with many competing development priorities. Many of them simply cannot afford to make the necessary investments in population. As a result, population issues are often excluded from social and health sector programmes because there is not enough funding to go around, or because new priorities are surfacing without safeguards in place to ensure sustainability and expansion of existing programmes. Population and reproductive health issues cannot be ignored. It is essential to mobilize adequate resources to protect investments already made in existing programmes. Meeting reproductive health supply needs is an essential element in the global effort to save the lives of women and men by protecting their reproductive health.

38. *The changing face of development cooperation*. Development is no longer universally viewed as the business of specialized bilateral and multilateral aid agencies. There is an increasing belief that financing for development encompasses much more than aid. It includes mobilizing domestic financial resources, mobilizing international resources, international trade, increasing international financial and technical cooperation for development, addressing international debt, and addressing systemic issues in the international monetary, financial and trading systems. ODA can no longer be relied upon as the key instrument for the promotion of development. Population must be seen as an integral part of development, and population issues must figure prominently in national development plans and poverty reduction strategies.

39. *Impact and efficiency of resource use*. Given limited financial resources, issues of cost-effectiveness and programme efficiency become more salient. It is not sufficient for resources to be mobilized: both donors and recipients must make sure that the resources are used for the benefit of all, but especially the poor. Coordination of donor policies and identification of funding gaps are also essential. Resolving to take far-reaching and monitorable actions to reform the way in which aid is delivered and managed, ministers of both developed and developing countries responsible for promoting development and heads of multilateral and bilateral development institutions committed themselves to the Paris Declaration on Aid Effectiveness (March 2005)[7] to increase the impact of aid on reducing poverty and inequality, increasing growth, building capacity and accelerating the achievement of the Millennium Development Goals. The Declaration addressed the important issues of ownership, harmonization, alignment, results and mutual accountability.

VI. Conclusion

A. Progress in resource mobilization

40. Resources directed towards the implementation of the Programme of Action of the International Conference on Population and Development have been slowly increasing over the years, but initially not at the level required to implement the Cairo objectives. In fact, funding for the Programme of Action has been consistently below targets. The recent increase in funding levels has been primarily a result of the increase in funding for HIV/AIDS activities, including both prevention and treatment. However, these increases still do not meet current HIV/AIDS needs which are much higher than anticipated in Cairo in 1994. Funding for family planning, which has been steadily decreasing, is below the suggested target of $11.5 billion in 2005 and is also not meeting current needs in this area.

41. Although provisional figures show that both donors and developing countries are on target ($5.3 billion and $14.5 billion, respectively, in 2004) and may indeed have slightly surpassed the 2005 goal of $18.5 billion, this is misleading because the resources mobilized do not adequately address the current needs which have escalated considerably since the Conference and which now include treatment for HIV/AIDS. Indeed, for many less developed countries which cannot generate sufficient resources, the lack of adequate funding remains the chief constraint on the full implementation of the Programme of Action and on attaining the goals of the Conference agenda.

42. The real concern is that the target amount will not be sufficient to address the current global needs in all four Conference areas. This is true even in the area of HIV/AIDS, where most of the increase in funding has occurred and where, according to the most recent UNAIDS estimates, $15 billion is needed in 2006 for a comprehensive package including prevention, treatment and care, support for orphans and vulnerable children, programme costs and human resources.[5] If not reversed, the trend towards less funding for family planning could undermine efforts to prevent unintended pregnancies and reduce maternal and infant mortality.

B. Key areas requiring further attention

43. Continued resource mobilization advocacy efforts on the part of both donors and developing countries are essential to fully implement the Conference agenda. The population and health situation has changed dramatically since the Conference, especially in respect of poverty and the magnitude of the spread of the HIV/AIDS pandemic. To accelerate the implementation of the Conference agenda and to achieve the Millennium Development Goals, the international community should continue to:

- Ensure that population and reproductive health are seen as an integral part of the achievement of the Millennium Development Goals and that they figure prominently in national development plans and poverty reduction strategies

- **Mobilize sufficient resources to fully implement the Programme of Action and ensure that family planning and reproductive health issues receive the attention they deserve at a time when the increased focus is on combating HIV/AIDS**
- **Establish an effective partnership of donor and recipient countries based on mutual trust, accountability and donor coordination in support of country goals**
- **Increase attention to cost-effectiveness and programme efficiency so that resources reach all segments of the population, especially those that are most in need**
- **Enhance the role of the private sector in the mobilization of resources for population and development, in monitoring population expenditures and in ensuring that financial targets and equity objectives are met**

44. **The challenge before the international community is to continue to mobilize the resources required to implement the Conference agenda. It is particularly important to reach the ODA target of 0.7 per cent of GNP and to ensure that appropriate resources are allocated to population and reproductive health in funding and programming mechanisms such as sector-wide approaches and poverty reduction strategies. It is also important to ensure that adequate resources are allocated to all areas of the Conference-costed population package: family planning services, reproductive health services, STDs/HIV/AIDS and basic research, data and population and development policy analysis. The Conference population and reproductive health agenda is a means to both influence macrodemographic change and reduce poverty at the household level and help achieve the Millennium Development Goals. This opportunity must not be missed.**

Notes

[1] See *Official Records of the Economic and Social Council, 1995, Supplement No. 7* (E/1995/27), annex I, sect. III.

[2] *Report of the International Conference on Population and Development, Cairo, 5-13 September 1994* (United Nations publication, Sales No. E.95.XIII.18), chap. I, resolution 1, annex.

[3] All references to developing countries in this report also include countries with economies in transition.

[4] Beginning with the 1999 round of questionnaires, the UNFPA/UNAIDS/NIDI Resource Flows Project began to include data on HIV/AIDS treatment and care so as to address the growing reporting needs of UNAIDS and because it was becoming increasingly impossible for respondents to provide information on HIV/AIDS prevention activities only.

[5] All references to dollars signify United States dollars.

[6] See Hendrik P. van Dalen and Mieke Reuser, "Assessing size and structure of worldwide funds for population and AIDS activities" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2004); and Hendrik P. van Dalen and Mieke Reuser, "Projections of funds for population and AIDS activities, 2004-2006" (The Hague, Netherlands Interdisciplinary Demographic Institute, 2005).

[7] Available from http://www.mfdr.org/sourcebook/2-1Paris.pdf.

[8] See UNAIDS, "Resource needs for an expanded response to AIDS in low- and middle-income countries", August 2005.